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SUBJECT: ASSEMBLY APPROVES 2007-2013 ECONOMIC AND SOCIAL DEVELOPMENT PLAN

REF: A. CARACAS 2207

[I](#)B. CARACAS 2363

Summary

[I](#)1. (SBU) On December 13 the National Assembly approved the BRV's "Guidelines for the 2007-2013 Economic and Social Development Plan for the Nation." The two page introduction of the 51 page document outlines President Chavez' vision to further develop "21st Century Socialism." Themes include "rebirth of the Venezuelan people with Socialist values," and increasing social and economic ties within Latin America, Europe, the Middle East, Russia, Syria and Iran. The plan acknowledges the importance of the US oil market to the BRV but advocates diversifying its customer base. Closely related to the rejected December 2 Constitutional Referendum reforms, the plan, attempts to provide a framework to accomplish "21st Century Socialism." End summary.

The Plan

[I](#)2. (U) The plan, "Guidelines for the 2007-2013 Economic and Social Development Plan for the Nation" dated September, 2007" is found on the Ministry of Popular Power for Communication and Information website (www.minci.gob.ve). Ricardo Sanchez, President of the National Assembly's Permanent Commission for Finances claimed the plan, envisioned as a compliment to the defeated Constitutions' reform, conforms to the principles of the current Constitution. The plan is a follow up to the 2001-2007 plan of the same name and contains seven sections. Each section presents a discussion titled "focus" which provides the background and motivation for achieving the goal of the section. Following each discussion is an outline of specific objectives. After the objectives, again in outline form, follows a list of strategies and policies to pursue to achieve these objectives. The seven sections are:

- [I](#)I. New Socialist Ethics
- II. Supreme Social Happiness
- III. Leading Revolutionary Democracy
- IV. Productive Socialist Model
- [I](#)V. New National Geopolitics
- V. Venezuela: World Energy Power
- VII. New International Geopolitics

[I](#)3. (U) New Socialist Ethics: The first section contrasts capitalism with socialism. Capitalism is condemned as being based on an individuals' ego and socialism is praised for its

"ethical values and human solidarity." An extensive discussion on "socialist ethics" outlines the qualities needed to attain the goals outlined in the document. Education is strongly emphasized. It also stresses human rights and the elimination of corruption.

¶4. (U) Supreme Social Happiness: This section, which cites Simon Bolivar as the originator of the phrase "Supreme Social Happiness," focuses on advancement through socialism. It references the Constitution as the basis for the policies for the new socialist political and economic structures. (Note: The language would have made sense only if the proposed changes to the Constitution had been approved. End note.) It emphasizes the missions, funded by petroleum, as a vehicle to achieve the goals of universal identity, nutrition, health, education, life and work. It also recognizes global warming and the need to protect the natural environment.

¶5. (U) Leading Revolutionary Democracy: This section discusses the collective strength of the group in contrast to individual weaknesses. It advocates cooperative associations, the total involvement of the people, and development of mass communications.

¶6. (U) Productive Socialist Model: This section proposes the elimination of social divisions of work, the elimination of hierachal structures and the elimination of "the disunity between satisfying necessities and the production of wealth, via the Productive Socialist Model." Under the model, the State would maintain total control of all production activities that are of strategic value. Social Production Businesses (EPSS: Spanish acronym) are mentioned as the "seed and the path to 21st Century Socialism." (Note: EPSSs are defined as economic units dedicated to the production of goods and services, based on participatory planning without

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discrimination to workers and without hierachal privileges. End Note.) PDVSA is identified as a source of support for EPSSs.

¶7. (U) New National Geopolitics: This section emphasizes the development of a more diverse economy and a wider system of regional transportation through development of sparsely populated areas. A key goal is the redistribution of the population and activities from urban areas to rural regions. It cites the export hub for petroleum in the north central and coastal areas of Venezuela as a system which concentrates wealth distribution in an unequal and unbalanced manner. It also advocates additional axes of regional integration and development from the central plains to the north, western areas, eastern areas and the Apure-Orinoco area. These axes are called the "strategic hinge" for the regional integration of South America. It proposes a national railway system to connect these axes.

¶8. (U) Venezuela: World Energy Power: The plan recognizes the importance of petroleum in the national development strategy for Venezuela. The section discusses the worldwide increase in demand for oil, particularly in India and China as well as South America, but states that the United States will continue being a major purchaser of Venezuelan oil. It promotes development of additional refining capacity and petrol-chemical production. Aside from petroleum, the section advocates the development of hydroelectric and thermoelectric energy as well as the increased distribution of hydroelectric energy. Reference is made also to the use of petroleum income to support environmental protection and community quality of life. Finally it discusses the use of Venezuelan oil as a tool for strengthening multi-polar integration with Latin American and the Caribbean.

¶9. (U) New International Geopolitics: The final section of the document comments on the BRV efforts to create a "multi polar world and the breaking of the hegemony of imperialist North America." It outlines goals such as creating a "new

matrix of world power in the fields of finance, media, politics and the military." It cites large energy reserves as a means of forming strategic alliances to aid in the development of a diverse economy for Venezuela. It lists several examples including the development of the "Faja" in the Orinoco region, the joint refinery project Abreu de Lima in Northeast Brazil between Brazil and the BRV, as well as joint businesses between China and the BRV and the gas pipeline of the south (Refs A and B). The section advocates the development of a "new" MERCOSUR based on the concept of the South American Community of Nations (a European Union patterned trade organization) and consolidating Venezuelan leadership of the Bolivarian Alternative for the Americas (ALBA) as an alternative to the Free Trade Agreement Area of the Americas (FTAA) and other Free Trade Agreements (FTA). Other goals include strengthened ties with South America and the Caribbean, strengthening alternative movements in Central America and Mexico, as well as improved cooperation with Iran, Syria, Russia and Belorussia. The section also encourages closer relations with Spain, Great Britain, Portugal, the Middle East, China, Viet Nam and Malaysia.

¶10. (SBU) Comment: The document, which was written in September 2007, represents a detailed discussion of Chavez' vision for achieving "21st Century Socialism" in Venezuela. How the plan will be implemented in the wake of the defeat of Chavez' Constitutional reform proposals is not clear. In approving the plan, the National Assembly seems to have wanted to establish that Chavez' supporters have not abandoned the goals of the defeated Constitutional reforms.

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